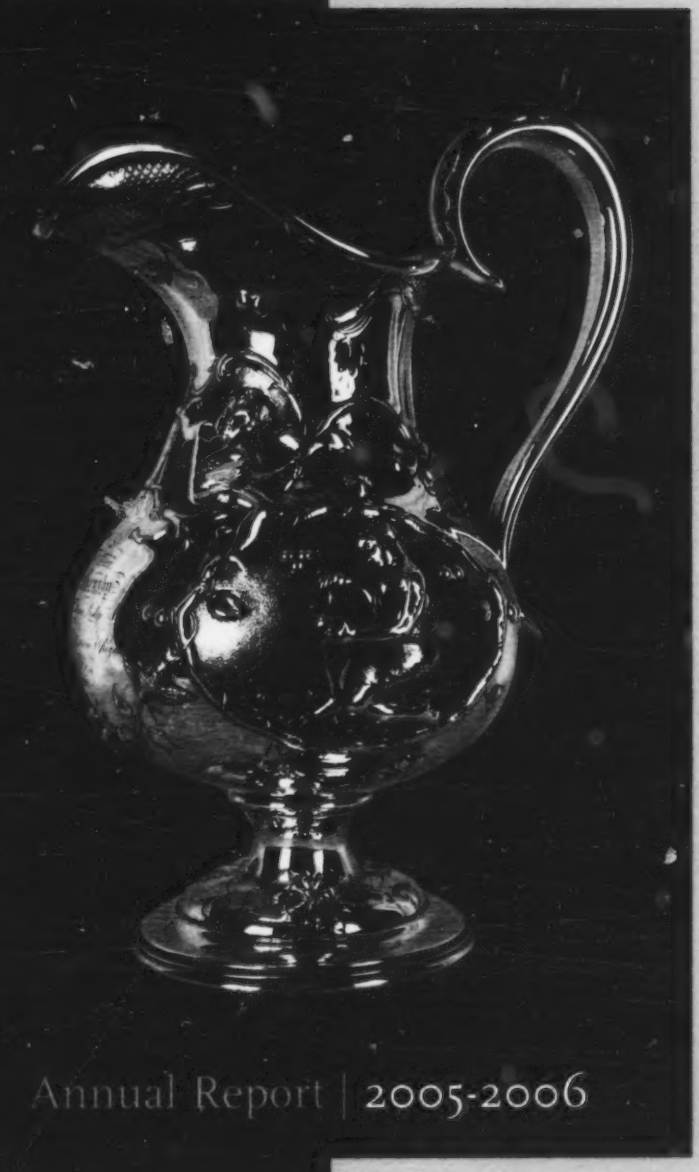
ROYAL BC MUSEUM



Annual Report | 2005-2006

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ORGANIZATIONAL OVERVIEW

The Royal BC Museum Corporation (RBCM) forms a cultural precinct consisting of the Royal BC Museum, British Columbia Archives, Helmcken House, Thunderbird Park, Mungo Martin Big House, St Ann's Schoolhouse, and the Netherlands Carillon. The primary purpose of the RBCM is to collect, preserve, and interpret the artifacts, specimens and documents that tell the story of British Columbia, and to share that story with the world.

BENEFIT TO PUBLIC

The work of the RBCM benefits the public by:

- developing and preserving collections for current and future generations;
- sharing the natural history and human story of British Columbia with the world through the physical environs of the cultural precinct, regional programs and internet access to the collections and archives;
- supporting education through the provision of materials, programs and complimentary student admissions;
- supporting research through projects and by providing access to the collections and archives;
- contributing to the provincial economy as a tourism destination of choice; and
- managing the archival records of the government of British Columbia.

CORE BUSINESS AREAS, PROGRAMS AND SERVICES

The RBCM has two core business functions to meet our strategic goals:

1. Collection development and preservation.
2. Interpretation and sharing of British Columbia's human history and natural history.

The RBCM is organized into six operating areas.

Access and Information Management
Provides public access to artifacts, specimens and archival material, including images and documents. As the archives of BC, manages government archival records, collects private documents of provincial significance, ensures regional research and representation are completed through the *Living Landscapes* program and extends virtual access to the collections through the RBCM website. Director: Gary Mitchell

Chief Financial Office
Manages financial and related functions, including strategic budget development, financial management, information technology, policy development, business planning, risk management, legal services and financial analysis. Director: Faye Zinck

Curatorial Services
Develops, preserves and manages the collections, and ensures the safety and longevity of all artifacts, specimens and archival records in the RBCM's care. Conducts research and ensures the collections and knowledge resident in the collections is available to other researchers and the public. Director: Grant Hughes

Exhibits and Visitor Experience
Interprets the collections and knowledge resident in the collections through the design, construction, installation and maintenance of exhibits. Acting Director: Barry Forrester

Marketing and Communications
Projects the public image of the RBCM. Its main functions are to increase attendance at the museum and market available services to the public through media relations, advertising, sponsorship and promotions, public relations, corporate communications, outside sales and publications. Director: Cynthia Wrate

Visitor and Human Resources
Provides programs and services to the public and to employees and volunteers, including facilities, operations and stewardship of revenue collected through admissions; also provides human resource management services. Director: Angela Williams

PRODUCTS AND SERVICES PROVIDED

The RBCM provides the following products and services:

- collection, preservation, research and interpretation of the province's historical artifacts, specimens and documents, including government documents;
- permanent exhibits that tell the natural history and human story of British Columbia;
- temporary exhibits that showcase special travelling displays that attract tourists and repeat visitation;
- special programming that invites the attendance and participation of local and tourist audiences;
- partnerships with local businesses and the tourism sector to boost visitation to the province's capital and contribute to the provincial economy;
- educational and research support for students, teachers and scholars;
- regional programming, internet access and virtual exhibits;
- management and maintenance of the cultural precinct consisting of the Royal BC Museum, British Columbia Archives, Helmcken House, Thunderbird Park, Mungo Martin Big House, St Ann's Schoolhouse and the Netherlands Carillon;
- ancillary services including retail (which provides a venue for BC artists) and food services; and
- a means for donors who wish to donate heritage artifacts/archival documents for long-term preservation.

PRINCIPAL PARTNERS, CLIENTS AND STAKEHOLDERS

Principal clients and stakeholders include government ministries, community organizations, tourism industry organizations, cultural groups, Willie's Bakery, Jazzman's Café and the Friends of the Royal BC Museum Foundation. The RBCM works in partnership with the National Geographic IMAX Theatre.

LOCATION OF OPERATIONS

The RBCM is located at 675 Belleville Street in Victoria, BC. In addition to the delivery of services at its physical location, comprehensive province-wide research, educational and access services are provided via distributed publications and the internet at www.royalbcmuseum.bc.ca. Regional services are provided in partnership through the RBCM's outreach program, *Living Landscapes*.

HOW SERVICES ARE DELIVERED

The RBCM delivers its services in a variety of ways:

- physical delivery of exhibits and programming within the cultural precinct;
- electronic access to the collections and archives through finding aids and the internet;
- published books and research papers; and
- delivery and support for regional programming in selected (rotating) areas of the province.

FUNDING AND REVENUE

Sixty-five per cent of the RBCM's core collections preservation and management, operations and activities are funded by the Province of British Columbia. The balance is funded through earned revenue that is comprised of admissions, access service fees, fundraising, related retail operations and royalties from the National Geographic IMAX Theatre. Funds are also provided through the Friends of the Royal British Columbia Museum Foundation.

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Our Vision

Revealing British Columbia, inspiring wonder.
With a passionate commitment to research, education and public involvement, the Royal BC Museum is proud to be among the finest cultural institutions in the world.

Mandate

The Royal British Columbia Museum Corporation is the only organization in the world dedicated specifically to the preservation of, and education about, the human history and natural history of British Columbia. Its purpose is to fulfil the government's fiduciary responsibilities for public trusteeship of the provincial collections and exhibits, and to preserve the collections for future generations of British Columbians.

Mission

To explore and preserve British Columbia's human history and natural history, to inspire curiosity and wonder, and to share our story with the world.

Values

- Accountability to public expectations and concerns.
- Responsible stewardship of the collections and information entrusted to our care.
- Respect for diversity.
- Respect for people and partnerships.
- Objectivity in our work.
- Environmental responsibility.
- Excellence in all we do.

Enabling Legislation

The Royal BC Museum Corporation is a Crown Corporation created in 2003 under the *Museum Act*. "Royal BC Museum" (or "RBCM") means the Royal BC Museum Corporation throughout this document. The *Museum Act* mandates the Royal BC Museum to fulfil the government's fiduciary responsibilities for public trusteeship of the provincial collections and exhibits, including specimens, artifacts, archival records and other materials that illustrate the natural history and human history of British Columbia. The Royal BC Museum is the Archives of the Government of British Columbia. The collections are preserved for current and future generations of British Columbians.

Major Programs

- Development, management and care of the collections.
- Public access to the collections.
- Exhibit development.
- Research and interpretation.
- Public and community education.

Principal Markets

The RBCM services the following principal markets:

- Visitors to the cultural precinct;
- Researchers;
- Educators and students;
- Citizens of British Columbia;
- Communities throughout the province; and
- People throughout the world seeking information via our websites and publications.

Royal BC Museum 2007-01365/

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Front cover: The Victoria Masonic Lodge presented this silver ewer to Robert Burnaby in 1861, in appreciation of his services to the lodge.

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John Walton

MESSAGE FROM THE CHAIR TO THE MINISTER RESPONSIBLE

On behalf of the Board of Directors of the Royal BC Museum Corporation, I am pleased to present the Corporation's 2005–2006 Annual Report.

British Columbians trust the Royal BC Museum to safeguard our collective historical record, and – through preservation, exploration and illumination – inspire successive generations to understand and value our shared stories and our natural world.

To fulfil this trust, the Royal BC Museum provides two distinctive services to the people of British Columbia. Its primary service is to acquire record, preserve and interpret documents, recordings, artifacts, specimens and other treasures of historical provincial significance. The second is to share knowledge and the stories of British Columbia through exhibits, research and programming.

The Royal BC Museum, like other cultural organizations across Canada, must balance the competing forces of growing collections, rising costs for perpetual preservation and public expectations of relevance and redevelopment against available funding.

We were very pleased that during the past year, the Government of British Columbia provided for future development of the Royal BC Museum through transfer of title of its buildings and land. By assuming direct responsibility for its buildings and land, the Royal BC Museum is able to more effectively manage its operating costs. Equally importantly, it provides the foundation from which to attract the capital funding necessary to achieve the vision outlined in our Master Plan. This vision transforms the Royal BC Museum into a vibrant provincial museum and archives and a nationally significant icon prepared to serve future generations of British Columbians.

The years ahead promise to be ambitious, as the RBCM addresses the twin challenges of protecting, interpreting and sharing British Columbia's history while establishing the development and capital structure necessary to finance and design its vision. With the support of the provincial government, we look forward to realizing our full potential to the benefit of all British Columbians.

The 2005–2006 Royal BC Museum Corporation Annual Report was prepared by the CEO and staff under Board direction in accordance with the *Budget Transparency and Accountability Act*. The Board has every confidence in the accuracy of the report including the reporting of the actual performance of the Royal BC Museum for the twelve months ended March 31, 2006. All significant decisions, events and identified risks, as of March 31, 2006, have been considered in preparing this report.

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our service plan. The measures presented are consistent with the Royal BC Museum's mission, goals and objectives, and focus on aspects critical to the organization's performance.

The Board, providing direction to the CEO, is responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion.

This report contains estimates and interpretive information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

John Walton
Chair, Board of Directors
Royal BC Museum Corporation

Pauline Rafferty

CEO's Report

For 120 years, the Royal BC Museum has been entrusted with the responsibility of protecting the treasures of British Columbia, and sharing our story with the world. And yet, even as an organization dedicated to preserving our past, the Royal BC Museum, like the province we represent, must evolve and adapt if it is to thrive in a changing environment.

The need for constant refreshment was reinforced this year, as two forces – a decline in visitation from the important American tourist market, and the absence of a blockbuster exhibit – converged, resulted in a decline of attendance and loss of revenue during the critical tourism season which was only partially offset by strong attendance during *Linda McCartney's Sixties: Portrait of an Era*. We recognize that the key to financial sustainability rests on delivering a balance of new exhibits with broad appeal and engaging programs geared to repeat visitors, and revitalized permanent exhibitions that awe new visitors.

An essential goal of revitalization is to ensure our collections and exhibits reflect the stories of all British Columbians. Over the past year, I was privileged to visit many regions of our great province to consult directly with communities and hear directly the themes and stories British Columbians believe are essential to understanding British Columbia.

Throughout these consultations, several broad themes emerged:

- the human history and natural history of all regions of BC are evolving – and these changes need to be better understood to appreciate the rich breadth of character of BC;
- all peoples, beginning with First Nations, have shaped BC through development of resources distinctive to the regions, creating an inextricable link between people and the environment;
- British Columbians are passionate about their local history and provincial history, and the interrelationship we all share; and
- the Royal BC Museum plays an essential role working with others to ensure all British Columbians have an understanding and appreciation for our history.

A second exciting development was the initiation of a state-of-the-art collection management system. Making the provincial collections fully accessible to British Columbians has been a long-held dream, which is only a short 24 months from fulfilment as a result of the collection database project implementation. Following implementation of this system over the next few years, British Columbians across the province will be able to electronically access a large portion of the millions of items currently held in our provincial collections from virtually anywhere there is communications technology in BC.

We look forward to continuing to engage all British Columbians in realizing our vision and appreciate the commitment of the Province of British Columbia in providing the first essential step toward implementing our vision for a revitalized Royal BC Museum by transferring the title of the land and buildings to the Royal BC Museum.

During the past year, the Friends of the Royal BC Museum Foundation established a permanent endowment for the benefit of the RBCM. This fund is held at the Victoria Foundation and is in the amount of $575,000. We are appreciative of the ongoing support of the Friends Foundation. In the year ahead, we will be implementing the business and fundraising steps identified in our Master Plan, and I look forward to continued consultation with British Columbians on the evolution of their provincial museum.

In the short term, we're also looking forward to an exhibit focused on youth. In June, we will open the temporary exhibits *Fore!* *The Planet* and *Speed* which provide engaging opportunities for families to learn more about science and the natural world.

The work of the Royal BC Museum would not be possible without the continued and loyal support of the Friends, our many volunteers, supporters and dedicated staff. I thank them for their continuing dedication and look forward to working together to create a revitalized Royal BC Museum that will be the pride of generations to come.

Pauline Rafferty
Chief Executive Officer
Royal BC Museum Corporation

Reporting on Performance

The following report measures performance against the 2005/06 Service Plan. There have been no significant changes from that plan. Consistent with the Royal BC Museum's continuous improvement management principles, the 2005/06 Service Plan was refined to reflect a strategy focused on two key goals – the collection and visitor experience. The Service Plan also focuses on five core objectives. Comparisons to 2004/05 are based solely on results that directly equate to 2005/06 measures.

Corporate Report Card

Objectives, Strategies and Performance Measures

Goal 1: The Collections **Collections representative of the human history and natural history of BC, accessible and preserved for current and future generations.**	
Objective	**Strategies**
Objective 1: **Develop the collections to represent all of British Columbia.**	**Collections enhancement** Build, develop and improve the collections through accessions, de-accessions, preventative conservation and treatment, documentation, and display in accordance with the collections Development Plan.
	Public access Maintain access levels to artifacts, specimens, archival records, and information available to the public.

Performance Measure	**Targets**			**Results**	
	2005/06	**2006/07**	**2007/08**	**2004/05**	**2005/06**
Value of the Collections	$192 Million	$192 Million	$192 Million	Not measured	192.5 million, based upon increase in value of documented acquisitions
Collections Usage	30,000 objects on exhibit or loan	30,000 objects on exhibit or loan	30,000 objects on exhibit or loan		467 objects placed on exhibit this year 14296 artifacts and specimens on loan 113 public lectures/talk and interviews relating to the collection 5471 artifacts and specimens loaned this year
Service Level and Quality	Inquiries completed within 10 working days to a client satisfaction level of 8.9/10	Inquiries completed within 10 working days to a client satisfaction level of 8.9/10	Inquiries completed within 10 working days to a client satisfaction level of 8.9/10	96% answered within 10 days 100% satisfaction based on 12 voluntary responses	94% answered within 10 days 100% satisfaction from 4 voluntary surveys returned
Productivity/Efficiency	Unit cost of preserving collections – to be determined Cost per inquiry – to be determined 90% of new holdings accessible within 12 months	Unit cost of preserving collections – to be determined Cost per inquiry – to be determined 90% of new holdings accessible within 12 months	Unit cost of preserving collections – to be determined Cost per inquiry – to be determined 90% of new holdings accessible within 12 months	Curatorial responded to 5349 inquiries Archives responded to 859 inquiries Not measured in 2004/05	Curatorial responded to 7789 inquiries Archives responded to 3651 inquiries Average cost per inquiry $17.18. Based on departmental records. 98% of collection acquired in 2004/05 is available for access upon inquiry
Definition of Measure: Cost per inquiry = (Time spent by staff multiplied by wages and benefits) per inquiry related to the collection or its information. Accessibility = Collection data is catalogued, fully computerized, and accessible within 12 months of acquisition.					
Target Rationale: Cost per inquiry allows for a measure of meting the customers' needs and allows for comparison with other organizations and industries.					
Sources of data: Manual collection of data and time logged to respond to inquiry.					

Goal 2: The Visitor Experience **A visitor experience that ensures new and repeat visitation.**	
Objective	**Strategies**
Objective 1: Create a visitor experience where visitors enjoy their visit and learn about BC.	**Exhibit and program development** Focus research resources and acquisitions to support development of the exhibits and programs that reflect the significance of BC's human history and natural history in a way that engages the public and stimulates their interest.
	Living Landscapes Maintain outreach services to regional communities.
Objective 2: Build the Museum's brand.	**Corporate reputation** Increase awareness and understanding of the Royal BC Museum and showcase its existing products and services. Expand market interest in Museum products and services.
Objective 3: Increase financial independence.	**Exhibits and special events** Increase earned revenue through special exhibits and other revenue generating activities. Increase emphasis on food, retail and commercial opportunities.
	Fundraising and sponsorship Achieve revenue targets through fundraising and sponsorship activities.
Objective 4: Maintain a skilled, flexible and committed workforce, including volunteers.	**Aligned workforce** Align staff and volunteers to core business functions.
	Competent workforce Ensure that the right people with appropriate knowledge, skills and abilities are in the right positions.

Performance Measure	**Targets**			**Results**	
	2005/06	**2006/07**	**2007/08**	**2004/05**	**2005/06**
Visitor enjoyment service levels and quality (including client and visitor satisfaction)	Satisfaction level of 8.9/10	Satisfaction level of 8.9/10	Satisfaction level of 8.9/10	8.9/10	8.9/10
Definition of Measure: Based on the results of visitor exit surveys conducted by an independent firm.					
Target Rationale: Improve level of service related to exhibitions and programs.					
Sources of Data: Based on exit surveys and comment cards.					
Increase in Earned Revenue	Baseline to be determined 2005/06. Four self sustaining programs	1% increase in earned revenue over baseline Five self sustaining programs	2% increase in earned revenue over baseline Six self sustaining programs	Paid attendance: 484,909 $9.1 million Complimentary Attendance: 40,122 Attendance significantly influenced by *Eternal Egypt* blockbuster exhibit and higher blockbuster admission rate	Paid attendance: 318,808 $5,917,994 Complimentary Attendance: 34,435 Total: 352,943
Definition of Measure: Increase in earned revenue from services, admissions to galleries and fundraising.					
Target Rationale: Growth of revenue generating services. Endowment funds provide long-term sustainability for RBCM operations.					
Sources of Data: Audited financial statements.					
Exhibit Development	Five year rolling plan to be developed	Implementation of exhibit development plan	Implementation of exhibit development plan		Exhibit plan identifies exhibitions through 2007/08 fiscal year
Employee Survey	In areas where survey results were below 3, achieve 3 or higher	Noticeable positive increase in employee survey results	Noticeable positive increase in employee survey results	Overall result in 2004 = 3.44/5 (where range of mean = "acceptable")	75% response rate Overall results for 2005 = 3.53/5 (range of mean = "good"
Definition of Measure: The survey is intended to assess staff attitudes about: leadership, corporate culture and values, teamwork, growth and development, managing change, work-life balance, supervision and, internal communication.					
Target Rationale: The annual employee survey is intended to assess employee attitudes and opinions about the current work environment at RBCM and identify opportunities to enhance employee satisfaction, productivity and commitment to the RBCM's vision. The survey is at +/- 5.2% at a confidence of 95% (19 times out of 20).					
Sources of Data: Survey completed by third party.					
HR and Succession Management Plan	Plan in development to address key skill shortages	Key skill shortages addressed through targeted recruitment/ training/ development	HR and Succession Plan fully implemented	In development in 2004/05	Apprenticeship Program = 2 apprentices hired to address future anticipated trades shortage 4 staff receiving funding toward Masters or PhD

A VISIONARY PAST

May it please Your Honour January 14, 1886
It has long been felt desirable that a Provincial Museum should be established in order to preserve specimens of the natural products and Indian Antiquities and Manufactures of the Province and to classify and exhibit the same for the information of the public.

—Original petition by prominent British Columbians to create the RBCM

For 120 years, British Columbians have trusted the Royal BC Museum to safeguard our collective historical record, and through preservation, exploration and illumination inspire successive generations to understand and value the stories and experiences we share.

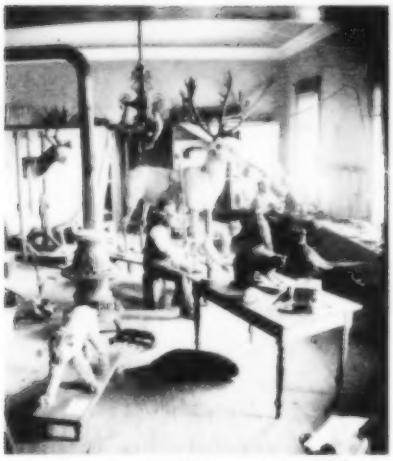
The Royal BC Museum's genesis began with a petition from leading British Columbians with the foresight to preserve treasures of provincial significance. Seven years later, the same vision resulted in the creation of the British Columbia Archives. Twelve generations later, the provincial collections have grown to over seven million items, and the RBCM is one of the most visited museums in Canada.

Petition signatories (clockwise from top left): George A. Walkem, Matthew Baillie Begbie, William Fraser Tolmie and John A. Mara.

One of only a handful of Canadian museums to carry the 'Royal' name, the RBCM is a significant tourist destination, welcoming hundreds of thousands of paying visitors each year, all of whom are enlightened, entertained and inspired by the stories shared for the information – and inspiration – of the public. An additional 500,000 pass through its public spaces and over 14 million more visits are made each year via the internet by researchers, educators, students and visitors from around the globe. The high levels of visitation cement the Royal BC Museum's role as the world's leading source of knowledge of British Columbia's human history and natural history, including the BC Archives as the province's leading source for historical records.

A CHALLENGING PRESENT

Over the course of its own rich history, the Royal BC Museum has stimulated a love for our past, and is a lasting source of pride for all British Columbians. The Royal BC Museum must also embrace the influences of change.



John Fannin, the first curator (1886–1904), working in the original museum room.

Three years ago, the RBCM became a Crown Corporation with the goal of bringing management of and access to the provincial collections under one roof while increasing the level of financial self-sufficiency. A combined collections management approach provides British Columbians with a multi-dimensional understanding of our history, while providing more efficient and centralized access, streamlined administration, risk management and conservation synergies, and database management.

Limited as such articles are in quantity, their loss is frequently irreparable, and, when once removed form the locality of their production, their scientific value and utility to the country are greatly lessened.

—from the original petition creating the RBCM

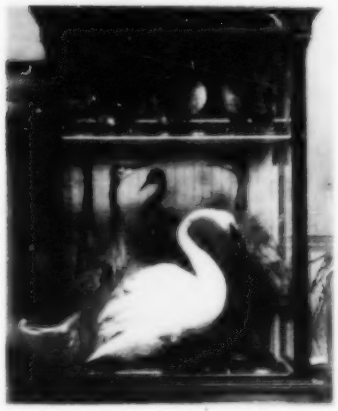
The increasing costs of maintaining and growing collections, improving older buildings, and regenerating aging exhibits are challenges confronting almost every cultural organization in Canada. The Royal BC Museum faces the additional challenge to increase financial self-sufficiency. Government funding levels are stabilized at $12.1 million per year, currently 66% of the revenue required to maintain operations. Government funds primarily support the perpetual care of provincial collections; a further $7 million must be generated through operations to meet minimum operating requirements.

As the primary source of generated revenue, admission levels and fees are critical to our financial health. Although the local population base in British Columbia's capital region, Victoria, is less than half that of any

other provincial museum location in Canada, the Royal BC Museum is one of the most highly visited. This high level of attendance is attributable to both the tourism economy of Victoria and the important strategic role the Royal BC Museum plays in hosting exhibits that draw tens of thousands of visitors to the area. Attendance levels are highly influenced by overall levels of visitation to Victoria, as well as the hosting of travelling exhibitions and special programs. The 2005 tourism season experienced a significant decline in the level of visitation by the important American visitor market, which had a direct negative effect on the RBCM's admission revenue which was only partially offset by the appeal of the special exhibit: *Linda McCartney's Sixties: Portrait of an Era*.

In January 2006, a vital decision was reached to lay the foundation for an exciting new chapter of change for the RBCM and to help reduce the RBCM's operating costs. On March 31, the Government of British Columbia completed the RBCM's evolution, and transferred title of the buildings and land the RBCM occupies from BC Buildings Corporation to the RBCM. The net effect of this move is to reduce building and land rent and property management administrative costs.

Despite the Royal BC Museum's outstanding reputation and success, it faces many challenges. The buildings have reached capacity, the ability to host major exhibits is limited, and current climate control, lighting and security systems were not designed to effectively preserve and display the collections.



Exhibits consisted mainly of stuffed birds in glass cases and free-standing mounted animals.

Furthermore, the site was designed to accommodate only 100,000 visitors annually and it now welcomes more than a million visitors through its doors, including public spaces, the paid admission areas and the IMAX Theatre.

A New Vision for the Future

The Board of Directors and executive leadership of the Royal BC Museum recognize that, if the Royal BC Museum is to continue thrive in a rapidly changing environment, it must undergo an extensive revitalization.

Our vision is to transform British Columbia's museum for the next generation to take full advantage of this cultural treasure and its precious setting. The Royal BC Museum has developed a Master Plan that outlines the steps necessary to create new experiences, to preserve and add to our collections, and to tell the stories of us all – the people and places of British Columbia – past present and future.

The plan responds to the immediate requirement to manage costs as well as the strategic necessity to meet changing stakeholder demands.It lays out a vision of the potential offered by the combined collections of a completely revitalized Royal BC Museum Corporation.

The Master Plan guides the development, project priorities, fundraising strategies and exhibit and program development for the cultural precinct to transform the existing Royal BC Museum into a next-generation cultural showcase. Importantly, the Master Plan addresses many of the risks facing the organization, including:

- redevelopment of the Royal BC Museum infrastructure;
- management of the collection for long-term growth;
- mitigation of risks to the collection through construction of a dedicated collection management building;
- creation of new exhibition space, galleries and programs;
- assurance that British Columbians will continue to enjoy world-class travelling exhibits; and
- addition of amenities and services that ensure visitor comfort and increase revenue.

A business plan is under development to support the Master Plan and for approval of the Government of British Columbia. The business plan will consider options for how public spaces may be enhanced and integrated, how exhibit galleries may be improved, and how curatorial and archives spaces can utilize state-of-the-art climate control, security and handling facilities. Such

This Haida freight canoe is representative of those that travelled BC's north coast.

a transformation will renew public interest in the Royal BC Museum's spectacular site on Victoria's Inner Harbour.

> *There are at present in the Province many gentlemen interested in furthering this scheme who have signified their readiness to assist to the best of their powers.*
>
> *– from the original petition creating the RBCM*

The vision behind the Royal BC Museum Master Plan will require many years of effort and significant support by all levels of government, the private sector and individuals from across the province who share a passion for British Columbia's history. We look forward to realizing this incredible vision for British Columbia and British Columbia's archives and museum.

Listening to British Columbians, and hearing first-hand the diverse range of stories you wish to share with the world is essential to ensure all peoples and regions of the province are represented in your provincial museum. Throughout 2005, CEO Pauline Rafferty travelled across British Columbia consulting with community leaders on the Royal BC Museum's vision for revitalization, and to gather local perspectives. These consultations will continue through 2006/07 to ensure all areas of British Columbia are heard.

A complete community consultation list is found in Appendix A

While the vision takes flight, the Royal BC Museum continues its work – collecting, interpreting, preserving and expressing our unique human history and natural history; delving into the lingering questions of our past and captivating the imaginations of youth through educational programs and the expanding the horizons of British Columbians by hosting some of the finest exhibitions on earth.

The Year in Review

Exploring and Preserving British Columbia

Enhancing the scale, scope and accessibility of the Provincial Collections

Developing, safeguarding and interpreting the provincial collections on behalf of British Columbians is an enduring responsibility of the Royal BC Museum. Items of provincial significance are classified, codified and organized for research, verification and review. The collections are accessed for research, loans, exhibits, public and school programs.

During the current fiscal year, 14,296 items are on loan from the RBCM, including Emily Carr works from the BC Archives for a national touring exhibition organized by the National Gallery of Canada; 467 artifacts were placed on exhibit; 113 lectures were conducted by curatorial and archival staff; and 7789 public enquiries were made to museum collection staff experts, and 3651 to archives experts.

Accessions and de-accessions undergo a formal approval process. Objects to be accessions must meet the legislated mandate of the Royal BC Museum, must be of provincial significance, and must have accompanying documentation that adds to the potential understanding of the human history and natural history of British Columbia. In the BC Archives, the types of documents that will be collected include the mandated acquisition of government archival holdings, and items that broaden the scope and significance of the collection to the public. Clearly defined protocols identify regular maintenance and parameters for the loan of objects from the collections to researchers and members of the public.

Fall Moon Mask *by Tim Paul (Nuu-chah-nulth), 2006. RBCM 20155.*

Once acquired, items in the provincial collections are made as accessible as possible for research and public use, consistent with conservation, legal and ethical considerations.

Significant acquisitions during the past year included:

- The generous gift of a beautifully designed and carved gold bracelet from the estate of Mrs Joyce E. Keays of Prince Rupert.
- A silver ewer presented to Robert Burnaby in 1861 acquired from an antiques dealer in East Wapole, MA.
- A mask carved by Tim Paul and a dance screen created by Tony Hunt.
- 12,364 new specimens or specimen lots were processed, including many specimens from a multidisciplinary trip to the islands south of Prince Rupert. There were a number of notable and rare species collected on that trip, including newly discovered plants and animals.

The Royal BC Museum is committed to increasing public accessibility

to the collections. To that end, an electronic collection management system project has been initiated. This significant database project will digitally record, catalogue, interpret and make accessible the millions of items in the collections. When completed in 2007, the public view of the provincial collections will be possible from anywhere in the world via the internet.

BALANCING ACCESS AND PRIVACY

The right to privacy is a growing concern for British Columbians. Corporate Information, Privacy and Records is responsible for determining the right of access to records that contain information restricted from disclosure under the Freedom in Information and Protection of Privacy Act (FOIPPA), the federal youth *Criminal Justice Act*, the *Adoption Act*, the BC Supreme Court Rules and government policy.

FIRST NATIONS AND REPATRIATION

The Royal BC Museum works closely with the Ministry of Aboriginal Relations and Reconciliation and with numerous First Nations communities seeking ways to share our collections more widely, facilitate the Treaty Process and address First Nations concerns and aspirations about cultural objects and ancestral remains. Coordinating and hosting visits by groups and individuals to see and understand our Ethnology and Archaeology collections is an important part of these activities. In the past year, the Te'mexw Treaty Association was the largest group to make a treaty-related visit to the Royal BC Museum. They visited in autumn 2005 and spent two days talking to staff and viewing collections relating to their communities.

Groups and individuals from the Sliammon First Nation made several visits during the year to look at objects, photographs and associated records. Other First Nations treaty researchers from throughout the province made single visits. Nazko First Nation researchers were among the groups that travelled to Victoria in the past year to look at material of interest to their community. The Royal BC Museum also works closely with First Nations that are not in the formal Treaty Process. This year, for example, staff visited Skidegate and Massett where they made presentations and participated in fruitful discussions about objects from Haida Gwaii in our collections.

Sisiutl dance screen by Tony Hunt (Kwakwaka'wakw), 2006, showing one half of the two-headed Sisiutl. RBCM 20156a.

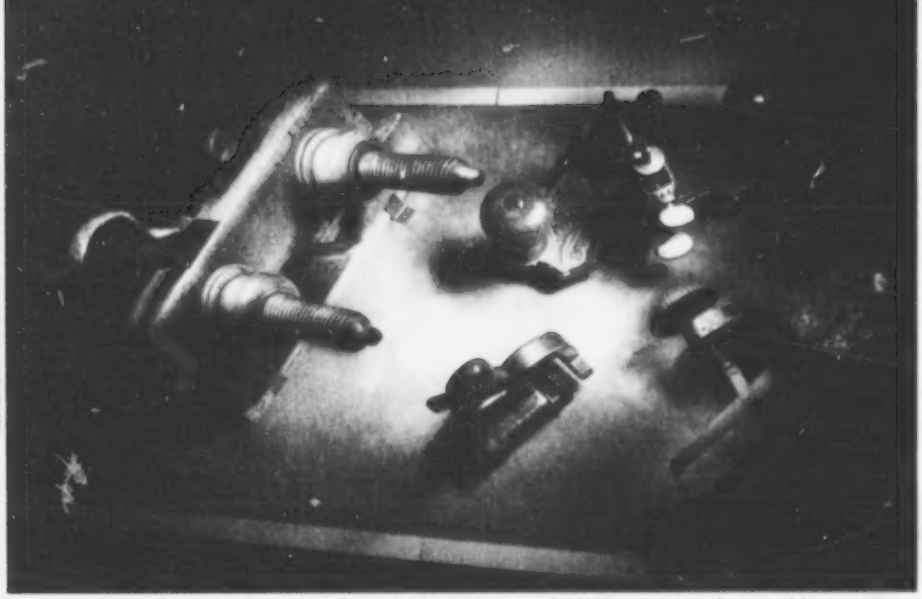
EDUCATION AND RESEARCH

Research at the Royal BC Museum is significant in that it emphasizes that which is unique to British Columbia. Researchers strive to reveal new insights into the natural world and cultures of BC and items in the collection form the basis for expanding knowledge of the province.

Research topics are grouped into the following criteria:

- Identifying and documenting species inhabiting BC, with emphasis on understanding endangered species or those that exist nowhere else in the world.
- Examining species distributions and fossil evidence to understand early BC history, identify changes and occur, and (p:)oject) what the future may hold – with a particular emphasis on climate and climate change.

The hammered gold bracelet that belonged to Joyce E. Keays of Prince Rupert; it was acquired by her father in the late 19th century as payment for a debt.



Planes for many purposes, from the late 1800s and early 1900s, in the "Building BC" exhibit.

- Studying the evolution of life through comparison of DNA and the physical characteristics of plants and animals.
- In collaboration with First Nations, documenting the history and heritage of First Peoples.
- Examining and documenting communities and industries in BC to reveal how and why they have changes, and projecting what these changes mean for the future.
- Examination of social trends.

A comprehensive list of research projects and outcomes is found in Appendix B.

Sharing Our Story with the World

As vital as the collections are to understanding British Columbia, it is our exhibitions that enlighten, entertain, inform and stimulate the imagination of visitors. Our aim is to ensure that visitors enjoy a memorable and awe-inspiring experience – one that will bring them back again, and that they will tell others about. By placing the collections in realistic settings enhanced by hands-on activities and technology, the Royal BC Museum is renowned for bringing the past to life.

Whether it is the scent of cinnamon baking in a 19th-century hotel kitchen; the lapping of waves against the hull of the *Discovery*, the soft echo of nature

Saddle from eastern Tibet, ca 1900, made of wood trimmed with copper and leather, and iron stirrups. © Newark Museum, Dr Albert Shelton Collection 20.498.

in a quiet amphitheatre, or the hushed reverence of a First Nation's big house, countless British Columbians can point to a lasting memory of their first trip to the Royal BC Museum. These striking memories are carried through life, and enhanced by temporary exhibits that bring the world to British Columbia.

Equally lasting are the memories of British Columbia shared with hundreds of thousands of visitors each year. The Royal BC Museum is an integral part of the tourism economy in Victoria. In addition to the lasting appeal of our famous permanent galleries, temporary blockbuster exhibits are critical for repeat visitation to Victoria and the Capital region, as well as the Royal BC Museum.

A strong level of tourism in Victoria is equally important to the Royal BC Museum. In 2005 a strong Canadian dollar and perceived barriers to entry as a result of proposed identity document requirements for visitors from the United States contributed to a decline in the level of American visitors to Victoria. The U.S. visitor has traditionally been the largest portion of our visitor base during the tourism season, and an 8.7% drop in US visitation* had significant impact on attendance. This decline was somewhat offset by extending opening hours to accommodate Victoria's growing cruise-ship market, and strong winter attendance to the *Linda McCartney's Sixties: Portrait of an Era* travelling exhibit.

Exhibit Highlights

Tibet: Mountains and Valleys, Castles and Tents

March 4 – October 10, 2005

Drawn from the Tibetan collection of the Newark Museum, this travelling exhibit explored the ancient culture of Tibet and examined how the harsh environment of Tibet influenced art and daily life.

*Statistics Canada; prepared by Tourism BC Research, Backgrounder #64, May 18, 2006

Monks from the Buddhist university, Gaden Jangtse Tsawa Khangtsen, conduct morning ceremonies outside the Royal BC Museum, July 2005.

Building BC

Opened December 15, 2005

This permanent exhibition is a tribute to the people and trades who literally built British Columbia. Located on the 3rd floor passage between Century Hall and Old Town, the exhibit features period tools from the late 1800s and early 1900s, including surveyors equipment, a drafting table, blueprints, and antique hand tools. The display cases were built using traditional methods in the style and design of the late 1800s. Much of the exhibit construction was completed by a staff joinery carpentry apprentice training in traditional museum construction methods. This staff member is the sole apprentice in the BC Public Service.

Linda McCartney's Sixties: Portrait of an Era

December 1, 2005 – March 5, 2006

Extended due to popular demand, this trip back to music's most influential era featured a powerful selection of 51 photographs chronicling the electrifying public and private lives of the icons of 1960s rock-and-roll. The Royal BC Museum assembled a companion exhibit including photographs of the John Lennon and Yoko Ono Montreal Bed-in for Peace in 1969 by photographer Gerry Deiter and a collection of psychedelic posters from Victoria music historian and author Jerry Lucky. Attendance to the exhibit was 40% higher than the same period the previous year.

Linda McCartney's favourite photograph of Jimi Hendrix, taken at the Rheingold Festival, Central Park, New York, 1967. © The Estate of Linda McCartney.

Inspiring Curiosity and Wonder

The Royal BC Museum is a place of discovery and education. To encourage new and repeat visitation, an extensive roster of lectures, school programs, tours and special events is conducted each year, forging strong links with repeat visitors and community organizations.

To encourage frequent and repeat visitation while addressing affordability, a new annual admission pass was introduced in November 2005. Priced to appeal to both adults and families, early sales of this new admission option are surpassing expectations. To increase sales to group travellers, pricing structure and administration were simplified, and new packaging products were created to meet the needs of hotel and transportation partners.

Docent Fran Hare engaging young students by exploring the traditional festivities of a Victorian Christmas.

For many BC school children, interest in history or biology begins with a visit to the Royal BC Museum galleries, or participation in a special program. Over 18,334 students received complimentary access to the galleries in 2005/06, with 4,853 more participating in in-depth programs specifically designed to support the BC school curriculum.

Increasing our financial self-sufficiency, reducing costs and enhancing existing revenue-generating activities are essential to attaining our goal of financial sustainability. New food services and retail agreements that enhanced our financial position were completed over the past year. These included agreements with new food services providers and a formal memorandum of understanding with the Friends of the Royal BC Museum for exhibit-based retail sales.

A significant improvement to managing the largest expense for the Royal BC Museum was achieved through the transfer of title to its buildings and land.

Board of Directors: (front from left) John Walton, David McMillan, Pauline Rafferty and Anna Nyarady; (back from left) Barbara Rae, Allison McNeill, Ken Mahon, Neil Sterritt and Donald Hayes; (not pictured) Ralph Bodine, Cynthia Woodward and David Stowe.

CORPORATE GOVERNANCE

GOVERNING PRINCIPLES OF THE BOARD OF DIRECTORS

A Board of Directors governs the Royal BC Museum Corporation, guided by legislation, regulation and public policy. The Board is accountable to the Minister of Tourism, Sport and the Arts to ensure the application of the *Museum Act*, so that the Royal BC Museum conducts its affairs in a manner that complies with the legislation and accepted standards of conduct, operates within approved financial standards, and fulfils its purpose and mandate.

The Board of Directors consists of not more than 11 directors, all appointed by the Lieutenant Governor in Council. As a policy board, it concentrates on providing leadership and direction to the Royal BC Museum through clearly articulated policies and corporate goals. In delegating authority to the Chief Executive Officer, the Board monitors the performance of the CEO and holds her accountable for results and progress. Having established the policy framework, the Board allows the CEO to administer corporate operations and does not involve itself in management decision-making or the day-to-day operations of the Royal BC Museum.

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee ensures that the Corporation's financial and accounting policies conform to the provisions of the *Museum Act* and all other applicable legislation, and that the Corporation's financial reporting systems meet the needs of the Board and the Royal BC Museum itself. Members of the Committee include David McMillan (Chair), Ralph Bodine, Donald Hayes, ex-officio members John Walton and Pauline Rafferty, and staff support Faye Zinck.

GOVERNANCE AND NOMINATING COMMITTEE

The Governance and Nominating Committee oversees the Board's nominating and governance activities. It is responsible to the Board of Directors and meets as required but at least once a year. Its functions are to establish the criteria of skills required for membership on the Board, prescreen and recommend Board candidates, recommend persons for the positions of Chair and Vice Chair, ensure appropriate orientation, manage evaluation of the Board, ensure that the Board's manual contains all documents relevant to its governance structure, and recommend persons to sit as members of Board committees. Members of the Committee include Barbara Rae (Chair), Anna Nyarady, Neil Sterritt, David Stowe, Cynthia Woodward, Allison McNeill, and ex-officio members John Walton and Pauline Rafferty. This Committee also deals with all matters of corporate governance and as such, reviews, monitors and reports on Board effectiveness.

SITE DEVELOPMENT COMMITTEE

The Site Development Committee advises on the RBCM Master Plan and assists with moving the renewal of the Royal BC Museum forward. It is a special-purpose committee formed for a term of up to three years.

The Committee will be consulted for the oversight and policy in respect of the management and control of the land and property of the Royal BC Museum. Members of the Committee include Ken Mahon (Chair), Donald Hayes, ex-officio members John Walton and Pauline Rafferty, and support staff member Angela Williams.

ADDITIONAL INFORMATION

Additional information on Board members and Board policies is available on the Royal BC Museum's website, www.royalbcmuseum.bc.ca. The Royal BC Museum now fully complies with the provincial government's "Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations." See www.royalbcmuseum.bc.ca/corporateservices/bestpracgov.pdf.

FINANCIAL STATEMENTS

(Audited)

March 31, 2006

MANAGEMENT'S REPORT

The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management is also responsible for the safeguarding of financial and operating systems, which include effective controls to provide reasonable assurance that the Museum's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance and Audit Committee. The Finance and Audit Committee meets regularly with management and the external auditors have full and free access to the Committee. The Board of Directors, whose members are not involved in the day-to-day activities of the Museum, are responsible for the review and approval of the financial statements.

Hayes Stewart Little & Co. has audited the financial statements in accordance with Canadian generally accepted auditing standards.

Pauline Rafferty
Chief Executive Officer

Faye Zinck
Chief Financial Officer

April 21, 2006
Victoria, BC

AUDITOR'S REPORT

To the Board of Directors of the Royal British Columbia Museum Corporation

We have audited the balance sheet of the Royal British Columbia Museum Corporation as at March 31, 2006, and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Museum as at March 31, 2006 and the results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Hayes Stewart Little & Co.

Chartered Accountants

April 21, 2006
Victoria, BC

BALANCE SHEET

As at March 31, 2006

	2006	2005
ASSETS		
Current		
Cash and investments (Note 3)	$ 2,336,077	$ 2,191,061
Accounts receivable	442,331	597,518
Prepaid	49,266	58,789
Deferred exhibition costs	109,225	122,362
	2,936,899	2,969,730
Capital assets, net (Notes 2(c) & 6)	14,938,056	3,411,270
	$ 17,874,955	$ 6,381,000
LIABILITIES AND NET EQUITY		
Current		
Accounts payable and accrued liabilities	$ 3,359,208	$ 1,952,167
Leave liability	558,782	558,844
Deferred revenue (Note 7)	213,290	84,152
	4,131,280	2,595,163
Deferred capital contributions (Note 8)	1,238,610	1,885,947
Net equity (Note 9)	12,505,065	1,899,890
	$ 17,874,955	$ 6,381,000

Commitments (Note 13)

ON BEHALF OF THE BOARD

John Walton

Director

Duncan Sullivan

Director

STATEMENT OF OPERATIONS

For the Year Ended March 31, 2006

	2006	2005
REVENUES		
Province of British Columbia contributions	$ 12,105,000	$ 12,656,250
Museum admission fees	3,035,592	7,017,219
Other income	2,315,868	1,969,003
Amortization of deferred capital contributions (Note 8)	650,259	599,767
Gifts in Kind - Donated collections and artifacts (Note 2(d))	32,225	155,922
	18,138,944	22,398,161
EXPENSES		
Salaries and benefits (Note 2(f))	7,826,227	7,609,867
Building occupancy charges	4,514,659	4,568,351
Taxes, City of Victoria	1,113,388	667,228
Special Exhibits (Note 10)	257,412	3,181,014
Security	896,620	956,817
Amortization	1,071,306	892,814
Professional service contracts	653,937	691,346
Systems and telecommunications	731,738	674,696
Archival records storage	385,396	400,072
Marketing and communications	294,787	360,892
Utilities, materials and supplies	510,820	511,572
Office	199,798	241,652
Insurance	211,523	199,571
Collections and artifacts – donated (Note 2(d))	32,225	155,922
Bank charges	59,234	62,191
Travel	118,888	88,279
Subtotal	18,877,958	21,262,284
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	$ (739,014)	$ 1,135,877

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2006

	2006	2005
OPERATING ACTIVITIES		
Cash received from the Province of British Columbia	$ 12,105,000	$ 12,656,250
Cash received from admissions	3,110,962	6,983,309
Cash received from other income	2,524,823	1,996,514
Cash paid for salaries and benefits	(6,046,223)	(7,727,250)
Cash paid for building occupancy and security	(6,385,974)	(7,167,176)
Cash paid for materials and services	(3,925,729)	(6,789,015)
Cash provided (used) for operating activities	1,382,859	(47,368)
INVESTING ACTIVITIES		
Cash received for purchase of capital assets	-	870,084
Purchase of capital assets	(1,253,903)	(1,611,866)
Payments for deferred exhibition costs	16,060	481,221
Cash used for investing activities	(1,237,843)	(260,561)
NET INCREASE (DECREASE) IN CASH	145,016	(307,929)
Cash, beginning of year	2,191,061	2,498,990
Cash, end of year	$ 2,336,077	$ 2,191,061

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2006

1. GENERAL

The Royal British Columbia Museum Corporation (the "Museum") is a Crown Corporation of the Province of British Columbia without share capital, incorporated on April 1, 2003 under the *Museum Act*. The Museum is a tax-exempt body under Section 149(1)(d) of the *Income Tax Act*.

The purpose of the Museum is to fulfil the Government's fiduciary responsibilities for public trusteeship of the Provincial collections and exhibits, including specimens, artifacts, archival and other materials that illustrate the natural history and human history of British Columbia. The Museum is dedicated specifically to the preservation of, and education about, the human history and natural history of British Columbia. The collection is preserved for future generations of British Columbians.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the significant accounting policies summarized below:

(a) Revenue recognition

The Museum follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Capital assets contributed and externally restricted contributions for the purchase of capital assets are deferred and amortized over the life of the related capital asset. Unamortized deferred capital contributions relating to capital asset dispositions are recognized as revenue in the period of disposal, provided that all restrictions have been complied with.

Government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of funding.

Admission revenue is recognized when earned. Other revenue consists of contributions, grants, royalties and rental revenues which are recognized when earned.

(b) Deferred exhibition costs

Costs of exhibitions are deferred until the exhibitions are opened to the public and then are expensed over the period of the exhibitions to which they relate.

NOTES TO FINANCIAL STATEMENTS, CONT.

For the Year Ended March 31, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Capital assets

Purchased capital assets are stated at acquisition cost. Capital assets transferred from the Province of BC, a related party, are recorded at the carrying amount. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings and improvements	up to 40 years
• Permanent exhibits	10 years
• Operating equipment	5 years
• Computer equipment and software	3 years
• Vehicles	3 years
• Furniture and equipment	5 years

(d) Collections

The value of collections (artifacts, specimens, and documents) has been excluded from the balance sheet because of valuation issues. Gifted collections are recorded as revenue estimated at fair market values based on appraisals by independent appraisers. The acquisition of both gifted and purchased collections is expensed. (Note 5)

(e) Museum volunteers

During the year, Museum volunteers contributed approximately 42,000 (2005 – 42,000) hours in support of the Museum. Their activities include guided gallery tours and a variety of programs that enrich the visitor's experience at the Museum and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(f) Employee benefit plans

The Museum and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2005) has determined the Plan has an unfunded liability. As a result, the actuary has determined that an increase in contribution rates of 1.88% each, for plan members and employers, is necessary in order for the Plan to maintain its long term financial soundness and thus its ability to meet the pension promise made to plan members. The trustees have decided that this increase in rates will be introduced effective April 1, 2006.

The Museum also annually contributes through the Provincial Government payroll system benefit plan for benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Museum pays through the Provincial Government is 24.62% (2005 24.0%). Costs of future benefits are recognized as an expense in the year that contributions are paid.

As a result of an agreement reached by the Province and the union that represents the Museum staff, bonuses totalling approximately $525,000 were paid by the Province directly to Museum staff. Salaries and benefits in these financial statements do not reflect this transaction.

NOTES TO FINANCIAL STATEMENTS, CONT.

For the Year Ended March 31, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Asset Retirement Obligations

Canadian generally accepted accounting principles require the Museum to determine the fair value of the future expenditures required to settle legal obligations to retire tangible long lived assets. If a reasonable estimate can be determined, a liability is recognized equal to the present value of the estimated future removal costs, and an equivalent amount is capitalized as an inherent cost of the associated long lived asset.

When the buildings occupied by the Museum were originally constructed, a variety of asbestos materials were used. Asbestos abatement has been carried out in a number of locations, but removal is not complete and residual asbestos debris remains in the building structure. A provision for asset retirement obligations that address the future accounting and reporting obligations related to asbestos removal has not been made at this time since it is not reasonably estimable.

(h) Use of estimates

In preparing the Museum's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. CASH AND INVESTMENTS

As at March 31, 2006, the Museum had $1,262,028 (market value - $1,261,629) in a money market fund, with a yield as a whole of 2.87%.

4. FINANCIAL INSTRUMENTS

The Museum's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair value of these assets approximates their carrying value. Unless otherwise noted, it is management's opinion that the Museum is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. COLLECTIONS

As at March 31, 2006, the collections consisted of approximately 7.2 million artifacts, specimens and archival records (includes approximately 5 million photographs). During the year, the Museum accessioned approximately 12,560 (2005 – 10,858) objects to its collections through the acquisition and purchase of artifacts. The collections are valued at $190 million for insurance purposes.

NOTES TO FINANCIAL STATEMENTS, CONT.

For the Year Ended March 31, 2006

6. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated Amortization	2006	2005
Land	$ 12,288,670	$ -	$ 12,288,670	$ -
Permanent exhibits	1,401,083	(251,523)	1,149,560	1,278,803
Operating Equipment	400,697	(229,782)	170,915	251,055
Computer equipment and software	1,523,543	(1,156,864)	366,679	626,143
Vehicles	19,605	(19,605)	-	6,021
Furniture and equipment	61,529	(36,473)	25,056	37,361
Buildings	937,176	-	937,176	-
Leasehold improvements	-	-	-	1,211,887
	$ 16,632,303	$ (1,694,247)	$ 14,938,056	$ 3,411,270

In March 2006, title to the land and buildings related to the Museum were transferred from the Province of British Columbia at the carrying value of $11,344,190 to the Royal BC Museum Corporation. The consideration paid for this transfer was $1.00. The value of existing leasehold improvements was reallocated to buildings. This related party transaction was recorded at the carrying amount of the land and buildings, allocated as follows:

Buildings	$ 1
Land	11,344,189
	$ 11,344,190

7. DEFERRED REVENUE

Deferred revenue of $213,290 (2005 - $84,152) represents funds related to future gallery rentals, advance admission sales, annual passes, and unredeemed gift certificates.

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent unamortized externally restricted contributions which have been used to purchase capital assets. These contributions will be recognized as revenue in future periods as the related capital assets are amortized.

	2006	2005
Balance, beginning of year	$ 1,885,947	$ 1,720,331
Grants for the purchase of capital assets	2,922	765,383
Amortized to revenue	(650,259)	(599,767)
Balance, end of year	$ 1,238,610	$ 1,885,947

NOTES TO FINANCIAL STATEMENTS, CONT.

For the Year Ended March 31, 2006

9. NET EQUITY

	Invested In Capital Assets	Unrestricted	2006	2005
Balance, beginning of year	$ 1,525,323	$ 374,567	$ 1,899,890	$ 764,013
Excess (deficiency) of revenues over expenses	-	(739,014)	(739,014)	1,135,877
Deferred capital contributions (Note 8)	(2,922)	2,922	-	-
Amortization of deferred capital contributions (Note 8)	650,259	(650,259)	-	-
Amortization	(1,071,306)	1,071,306	-	-
Disposals	(9,862)	9,862	-	-
Investments transferred from the Province of British Columbia (Note 6)	11,344,189	-	11,344,189	-
Investments in capital assets	1,263,765	(1,263,765)	-	-
Balance, end of year	$ 13,699,446	$ (1,194,381)	$ 12,505,065	$ 1,899,890

10. SPECIAL EXHIBITS

In order to encourage repeat attendance the Museum hosts travelling exhibits in the temporary gallery. In 2005/06 these included: *Tibet: Mountains, Valleys, Castles & Tents* and *Linda McCartney Sixties, Portrait of an Era*. In 2004/05 these included: *Eternal Egypt: Masterworks of Ancient Art from the British Museum; Tibet: Mountains, Valleys, Castles & Tents;* and *Giant Robotic Insects*.

	2006	2005
Salaries and benefits	$ 7,449	$ 189,642
Professional Service contracts – includes exhibit fees	93,352	1,804,861
Marketing and Communications	136,617	760,024
Security	-	183,087
Utilities, materials and supplies	19,084	162,554
Office	910	80,846
Total Expenses related to special exhibits	$ 257,412	$ 3,181,014

For the Year Ended March 31, 2006

11. FRIENDS OF THE ROYAL BRITISH COLUMBIA MUSEUM FOUNDATION

The Friends of the Royal British Columbia Museum (the "Friends") was incorporated to build membership and to coordinate other support activities on behalf of the Museum. In 2005 the structure of the Friends changed from that of a charitable organization to a closely governed foundation, under a new constitution and bylaws. During the year, the Royal British Columbia Museum Foundation (the "Foundation") merged with the Friends and the Friends was renamed to the Friends of the Royal British Columbia Museum Foundation (the "Friends Foundation"). The principal activities of the Friends Foundation are operation of the Royal Museum Shop, the collection of donations, bequests, endowments and supporting projects undertaken by the Royal British Columbia Museum. The accounts of the Friends Foundation are presented separately and are not consolidated in these financial statements. As at March 31, 2006, the fund balances of the Friends Foundation are as follows:

	2006	2005
Invested in capital assets	$ 125,917	$ 169,824
Externally restricted funds	250,674	237,118
Internally restricted funds	4,711	133,596
Unrestricted funds	1,561,324	1,466,370
	$ 1,942,626	$ 2,006,908

During the year the Friends Foundation contributed $879,987 (2005 - $657,500) to the Museum, of which $553,000 (2005 - $382,500) has been recorded in revenue as a direct contribution, the balance of the contributions consisted of funding for deferred capital contributions and grants from other third parties.

12. RELATED PARTY TRANSACTIONS

The Museum is related through common ownership to all Province of British Columbia Ministries, Agencies and Crown corporations. The Museum also has transactions with the Friends Foundation. Transactions with these entities, considered to be in the normal course of operations, are recorded at the exchange amounts.

In March 2006, the Province of British Columbia transferred the land and buildings to the Museum as outlined in Note 6.

Notes to Financial Statements, cont.

For the Year Ended March 31, 2006

13. COMMITMENTS AND CONTINGENT LIABILITIES

Operating Agreement

The Museum has committed to a Theatre Operating Agreement for the operation of a large screen motion picture theatre at the Museum. Under the terms of the Agreement, the Museum will be paid a royalty from the theatre including certain negotiated adjustments, plus specific amounts for additional costs. The Museum is also party to the lease of the premises for the Theatre and is paid all rents related to the lease agreement. The term of both the Theatre Operating Agreement and the lease is 30 years and expires June 24, 2028.

Lease Commitments

The Museum has a five year operating lease to rent warehouse space to store oversize artifacts. The lease expires on April 30, 2011. Future minimum payments are $124,096 in each year.

14. COMPARATIVE FIGURES

Certain 2005 comparative figures have been reclassified to conform to the presentation adopted in the current year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Royal BC Museum Corporation's (RBCM) financial statements disclose an operating loss for 2005-2006 of $.739 million, compared to an operating surplus of $1.36 million in 2004-2005. The RBCM received $12.105 million from the Province of British Columbia to fund the preservation and management of collections valued at over $190 million.

Summary of financial results and budget projections (in $millions)

Statement of Revenue & Expenses	Actual 2003/04	Actual 2004/05	Budget 2005/06	Actual 2005/06	Revised Budget 2006/07	Forecast 2007/08	Forecast 2008/09
				($ in millions)			
Revenue							
Operating contributions from the Province	13.174	12.656	12.105	12.105	12.105	12.105	12.105
Museum admission fees	4.111	7.017	3.075	3.036	4.435	4.575	4.800
Other income	3.026	2.725	3.215	2.998	2.492	2.536	2.572
Total Revenue	20.310	22.398	18.395	18.139	19.032	19.216	19.477
Expenses							
Salaries and benefits	7.898	7.610	7.660	7.826	7.826	7.826	7.826
Building occupancy	5.255	4.568	4.567	4.515	3.500	3.570	3.641
Taxes - City of Victoria	0.642	0.667	0.667	1.113	1.000	1.000	1.000
Other operating costs	3.444	3.386	3.200	3.198	3.914	3.817	3.869
Security costs	0.934	0.957	0.860	0.897	0.860	0.903	0.949
Special Exhibits	0.759	3.181	0.216	0.257	1.165	1.300	1.500
Amortization	0.614	0.893	1.698	1.071	0.756	0.787	0.647
Total Expense	19.546	21.262	18.869	18.878	19.023	19.204	19.432
Net Income (Loss)	0.764	1.136	(0.474)	(0.739)	0.009	0.012	0.045
Retained Earnings	0.764	1.900	2.826	12.505	12.515	12.527	12.572
Capital Expenditures	2.954	1.464	0.400	11.715	0.400	0.400	0.400
FTE's	125	125	125	125	125	125	125

Notes:

1. The 2005/06 Revised Budget reflects the February 2006 Service Plan.
2. RBCM attendance is influenced by global trends in tourism and fluctuates when hosting temporary blockbuster exhibits. Other income includes earned income, access services, fundraising, related retail operations, a private/public partnership and gifts in kind (donated collections and artifacts).
3. RBCM operations are supported by a large and dedicated group of volunteers.

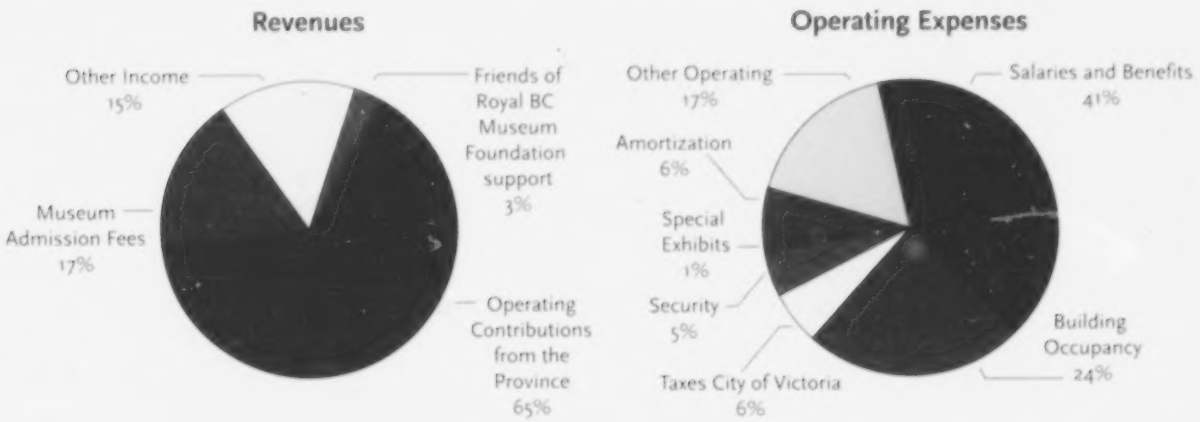
MANAGEMENT DISCUSSION AND ANALYSIS, CONT.

OPERATIONAL OVERVIEW

The original budget target in the February 2005-06 Service Plan forecast revenues of $3.575 million in admission fees for 2005-06. This target was adjusted downward in the revised September 2005-06 Service plan based on decreased attendance expectations, driven in large part by the decline in American visitors to southern Vancouver Island. This resulted in a restatement of our budget for 2005-06 from a projected net income of $.06 million to a loss of $.474 million.

In 2005-06 total revenue decreased by $4.259 million from last year. The year ended with a loss of $.739 million which was a result of reduced revenue and rising operating costs.

2005-06 Revenues and Operating Expenses



Sixty-five percent (65%) of the RBCM's operations and activities were funded through a contribution from the Province of British Columbia. These funds provide for preservation and management of the Provincial collections.

The balance of operations are funded through earned revenue that is comprised of admissions revenues, royalties, grants, fees for activities, fundraising, related retail operations and grants. Current year admission fees were 17% of total revenue compared with 31% last year. Admission fees fluctuate from year to year due to special exhibits. Incremental admission fees directly generated by an up-charge during the term of hosting *Eternal Egypt: Masterworks of Ancient Art* from the British Museum in 2004 totalled $4.1 million in 2004/05, while no additional charge was levied for the temporary exhibits in 2005/06 which included *Tibet: Mountains, Valleys, Castles & Tents*; and *Linda McCartney's Sixties: Portrait of an Era*.

MANAGEMENT DISCUSSION AND ANALYSIS, CONT.

The Friends of the Royal British Columbia Museum Foundation (Friends Foundation) operate the Royal Museum Shop, build memberships; collect donations, bequests, endowments; and support projects undertaken by the Royal British Columbia Museum. In 2005-06 the Friends Foundation provided funding of $.880 million to assist with costs related to activities of programs and exhibits, speaker series in association with were *Tibet: Mountains, Valleys, Castles & Tents*, special weekend events, access to galleries for all Friends members, support *Living Landscapes* programs in the northeast of the province and some gallery upgrades.

New food-service and retail agreements that enhance our financial position were completed over the past year. These included agreements with two food-service providers and a formal memorandum of understanding with the Friends Foundation for exhibit-based retail sales.

Total expenses decreased by $2.381 million over last year. A significant improvement to managing one of the largest expenses for the Royal BC Museum was achieved through the transfer of title to its buildings and land from the Province. This gift from the Province of British Columbia will result in savings in building rent costs. These savings will be used to fund increasing costs in other areas of the organization as well as to fund the development of a business plan to support the RBCM Master Plan.

The RBCM's workforce, consisting largely of highly skilled full time employees, cost $7.8 million in salaries and benefits. RBCM staff is paid through the Provincial Government payroll system, with benefits charged at 24% of salary costs. An agreement reached by the Province and the union that represents RBCM staff resulted in bonuses totalling approximately $.525 million paid by the Province directly to the staff. Salaries and benefits in these statements do not reflect this payment.

Building occupancy charges were effectively the same as last year. At March 29, 2006, the Province transferred title of the land and buildings occupied by the RBCM to the Royal BC Museum Corporation for the price of $1.00. Future years' forecasts reflect a decrease in building occupancy costs as a result of building rent savings.

Taxes to the City of Victoria are represented by grants in lieu of taxes paid under the *Municipal Aid Act*. These taxes increased by 34% over last year ($.226 million) due to increased assessment of the value of the infrastructure and a further increase of $.220 million due to accounting timing difference on transfer of title.

Amortization costs were higher year over year due to planned capital investment in permanent exhibits, operating equipment and information technology hardware & software purchases.

CAPITAL EXPENDITURES

The Balance Sheet discloses an increase in the RBCM's net capital assets of $11.526 million, which includes the transfer of land and buildings at net book value of $11.3 million from the Province of British Columbia to the RBCM.

STATEMENT OF CASH FLOWS

Net cash used for operating activities increased by $1.4 million. This was primarily due to an increase in accounts payable at year end of a corresponding amount.

Net cash used for investing activities increased significantly due to the transfer costs of the land and buildings from the Province. Property transfer tax of $0.8 million was paid to the Land Title and Survey Authority.

MANAGEMENT DISCUSSION AND ANALYSIS, CONT.

RISKS, UNCERTAINTIES AND FUTURE OUTLOOK

Like similar cultural organizations across Canada, the RBCM faces significant risks and uncertainties. These are outlined in detail in the RBCM's 2006-07 Service Plan and include:

- The collections are at risk of deterioration without perpetual care. As well, the collections continually grow over time through acquisition, resulting in increased costs and space required to ensure preservation. As a result of the collection risk assessment, additional financial resources will be required to implement strategies to mitigate these risks.
- Changes in technology require investment to maintain a full range of old and new technologies to ensure access to and readability of collection holdings created in older technology formats, particularly audio-visual and electronic materials recordings and documents. In response, in 2006-07 the RBCM will be implementing a collection management system which will enable British Columbians to electronically access items currently held in our provincial collections from virtually anywhere there is communications technology in BC.
- RBCM attendance is influenced by global trends in tourism and fluctuates when hosting temporary blockbuster exhibits. Visitor levels are greatly influenced by tourism. During the 2005 tourism season, BC experienced a decline in visitation, particularly from US visitors. This decline directly impacted RBCM attendance. The RBCM is working in partnership with the tourism sector to create awareness of the new regulations impacting the US/Canada border. The RBCM has also established a partnership with the State Hermitage Museum Foundation exhibition program that will bring new and exciting travelling exhibits to the museum.
- The RBCM must compete in the international marketplace for exhibits requiring significant investment of funds. There are growing expectations from visitors in terms of services provided in a modern museum. Regular refurbishment of the RBCM's world-class galleries, development of engaging programming, and the addition of attractive temporary exhibits are part of the RBCM's plans to attracting new and repeat visitors to BC and Victoria.
- As RBCM's facilities are over 40 years old, requirements for repairs and maintenance will continue to escalate in the coming years. The RBCM is developing a plan for renewal of the site to transform the museum for the next generation. A plan which outlines the steps necessary to create new experiences, to preserve and add to our collections and to tell the stories of the people of British Columbia past, present and future.
- The RBCM workforce is aging, leading to a potential shortage of professionals. In the next five years, 55% of Corporation staff will be eligible to retire. A strategic staffing analysis has been completed and is part of a broader succession plan. The strategy identifies specific actions necessary to resolve projected staffing and competency requirements.
- The RBCM's fundraising success is essential to operations. The RBCM is competing for funding in a market where demands are growing. The RBCM is appreciative of the endowment fund that has been established for its benefit through the Friends Foundation and which is managed by the Victoria Foundation. The RBCM has in its forecast, plans to implement a robust capital campaign and the establishment of not-for-profit affiliates.

The Royal BC Museum's Master Plan specifically outlines steps to address these risks.

GENEROSITY ABOUNDS: SPONSORS AND SUPPORTERS

The Royal BC Museum is grateful to its many supporters and donors through the past year.

Greater than $100,000
The Province of British Columbia
Friends of the Royal British Columbia Museum
Friends of the Royal BC Museum Foundation
Canadian Heritage, Partnerships Fund

$20,000 to $49,999
BC Treaty Commission
Canadian Heritage, Museums Assistance Program

$10,000 to $19,999
Province of BC – Ministry of Tourism, Sport and the Arts – Archaeology Branch

$1,000 - $10,000
Ron Blair
Patricia E. Bovey
Ronald MacIsaac
Eric Griffiths
Jane Davidson
Harry R. Easton
Frank Matish
Peter Taylor
Arthur Griffin
CH Television

In-Kind Sponsors
Island Blueprint
Vancouver Sun
Times Colonist
CH TV

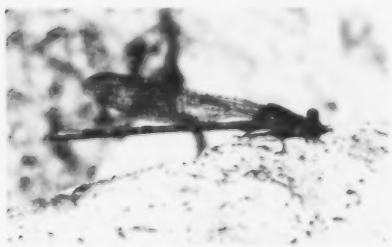
Marketing Partners
BC Ferries

Supporters and Contributors
The Fairmont Empress
Silk Road Tea and Spa
The Mint Restaurant
Royal Museum Shop
Canada Tibet Committee – Victoria Chapter
Gerry Deiter
The Elliott Louis Gallery
Jerry Lucky
Moog Music Inc.
Dean Thompson
The Turntable
The Department of Music, University of Victoria
Jack Verberne

APPENDIX A

COMMUNITY CONSULTATIONS

Fort St John – September 21, 2005
Dawson Creek – September 22, 2005
Cranbrook – September 28, 2005
Prince George – October 13, 2005
Kelowna – October 19, 2005
Kamloops – October 20, 2005
Terrace – November 23, 2005
Richmond – January 26, 2006
Courtenay – February 16, 2006
Abbotsford – March 30, 2006



Vivid Dancer (Argia vivida) *is a rare species often found in association with hot springs, making them vulnerable to commercial development. Photo: George Doerksen.*

APPENDIX B

RESEARCH/ PUBLISHED ARTICLES

Below is a list of selected publications associated with current research projects authored or co-authored by Royal BC Museum staff, volunteers, research associates and collaborators.

NATURAL HISTORY

Cannings, R.A. 2005. Caddisfly Architecture. NatureWild 6(3): 12-13.

Cannings, R.A., S.G. Cannings, L.R. Ramsay and G.E. Hutchings. 2005. Four species of Odonata new to British Columbia, Canada. Notulae odonatologicae 6(5): 45-49.

Cannings, R.A., P.A. Catling and P.M. Brunelle. 2006. New subspecific status for Macromia rickeri Walker. Argia 17(4): 23.

Cannings, R.A. and A. Lelej. 2005. Pavel Andreyevich Lehr: 1923-2005. Boreus 25(2): 33-34.

Cannings, R.A. and J.P. Simaika. 2005. *Lestes disjunctus* Selys and *L. forcipatus* Rambur (Odonata: Lestidae): An evaluation of status and distribution in British Columbia. Journal of the Entomological Society of British Columbia 102: 57-63.

Catling, P.M., R.A. Cannings and P.M. Brunelle. 2005. An annotated checklist of the Odonata of Canada. Bulletin of American Odonatology 9(1): 1-20.

Catling, P.A., R.A. Cannings and P.M. Brunelle. 2006. An annotated checklist of the Odonata of Canada: Update – November 2005. Argia 17(4): 26-28.

Copley, C. and R.A. Cannings. 2005. Notes on the status of the Eurasian moths *Noctua pronuba* and *N. comes* (Lepidoptera: Noctuidae): on Vancouver Island, British Columbia. Journal of the Entomological Society of British Columbia 102: 83-84.

Cannings, R.A., S.G. Cannings, L.R. Ramsay and G.E. Hutchings. 2005. Four species of Odonata new to British Columbia, Canada. Notulae odonatologicae 6(5): 45-49.

Cannings, R.A., P.A. Catling and P.M. Brunelle. 2006. New subspecific status for *Macromia rickeri* Walker. Argia 17(4): 23.

Cannings, R.A. and L.R. Ramsay. 2005. The conservation status of British Columbia's dragonflies: species at risk, inventory and status ranks (abstract). P. 7 in Proceedings of a symposium on invertebrate species at risk in British Columbia, 22 October 2005, Victoria, BC. 14 pp.

Cannings, R.A., L.R. Ramsay, S.G. Cannings and C. R. Copley. 2005. The Dragonflies (Insecta: Odonata) of Northern British Columbia: Field Surveys, Collections Development and Public Education (2000-2005). Royal British Columbia Museum, Victoria, BC. Electronic report prepared for RBCM web site.

Cannings, R.A. and J.P. Simaika. 2005. *Lestes disjunctus* Selys and *L. forcipatus* Rambur (Odonata: Lestidae): An evaluation of status and distribution in British Columbia. Journal of the Entomological Society of British Columbia 102: 57-63.

Catling, P.M., R.A. Cannings and P.M. Brunelle. 2005. An annotated checklist of the Odonata of Canada. Bulletin of American Odonatology 9(1): 1-20.

Catling, P.A., R.A. Cannings and P.M. Brunelle. 2006. An annotated checklist of the Odonata of Canada: Update – November 2005. Argia 17(4): 26-28.

Ramsay, L.R. and R.A. Cannings. 2005. Determining the status of British Columbia's dragonflies. In T.D. Hooper (Ed.) Proceedings of the Species at Risk 2004 Pathways to Recovery Conference March 2-6, 2004, Victoria, British Columbia. Species at Risk 2004 Pathways to Recovery Conference Organizing Committee, Victoria, BC. On Internet at: http://www.speciesatrisk2004.ca/pdf/ramsay_edited_final_feb_28.pdf

James Miskelly volunteers his time in the entomology collection, helping identify Orthoptera (grasshoppers, etc.) and Lepidoptera (butterflies and moths).

Zhang, Q-B., and Hebda, R.J. 2005. Abrupt climate change and variability in the past four millennia of the southern Vancouver Island, Canada. Geophysical Research Letters L16708.

Lambert, P. 2005. Denizens of the Deep. *Discovery: Magazine of the Royal BC Museum* 33: 18.

Lambert, P. 2005. A Victorian Collection. *The Victoria Naturalist* 62: 10-13.

Huerta, H. and A. Borkent. 2005. A new species and first record of Ceratoculicoides Wirth and Ratanaworabhan from the Neotropical Region and new species and records of *Brachypogon* Kieffer from Mexico (Diptera: Ceratopogonidae). Folia Entomol. Mex. 44 (Supplement 1): 111-119.

The Large Yellow Underwing (Noctua pronuba) *recently arrived in British Columbia (2002).*

Borkent, A. and P. Belton. 2006. Attraction of female *Uranotaenia lowii* (Culicidae: Diptera) to frog calls in Costa Rica. Canadian Entomologist 138:91-94.

Cannings, R.A., S.G. Cannings, L.R. Ramsay and G.E. Hutchings. 2005. Four species of Odonata new to British Columbia, Canada. Notulae odonatologicae 6(5): 45-49.

Cannings, R.A., S.G. Cannings, L.R. Ramsay and G.E. Hutchings. 2005. Four species of Odonata new to British Columbia, Canada. Notulae odonatologicae 6(5): 45-49.

Cannings, R.A., L.R. Ramsay, S.G. Cannings and C. R. Copley. 2005. The Dragonflies (Insecta: Odonata) of Northern British Columbia: Field Surveys, Collections Development and Public Education (2000-2005). Royal British Columbia Museum, Victoria, BC. Electronic report prepared for RBCM web site.

Forsyth, R.G. 2005. Die Landschnecken von British Columbia: ein Überblick / The Land Snails of British Columbia: an Overview. Presentation at the annual meeting of the German Malacozoological Society, at Köngen, Germany. In English with German subtitles.

Forsyth, R.G. 2005. Terrestrial gastropods of the upper Fraser Basin of British Columbia. *Living Landscapes*, Royal British Columbia Museum, Victoria. URL: http://www.livinglandscapes.bc.ca/upperfraserbasin/ufb_snails/index.html.

Forsyth, R.G. 2005. Terrestrial gastropods of the Peace River – northern Rockies of British Columbia. *Living Landscapes*, Royal British Columbia Museum, Victoria. URL: http://www.livinglandscapes.bc.ca/prnr/prnr_snails/index.html.

Cannings, R.A., S.G. Cannings, L.R. Ramsay and G.E. Hutchings. 2005. Four species of Odonata new to British Columbia, Canada. Notulae odonatologicae 6(5): 45-49.

Cannings, R.A., S.G. Cannings, L.R. Ramsay and G.E. Hutchings. 2005. Four species of Odonata new to British Columbia, Canada. Notulae odonatologicae 6(5): 45-49.

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Cannings, R.A., L.R. Ramsay, S.G. Cannings and C. R. Copley. 2005. The Dragonflies (Insecta: Odonata) of Northern British Columbia: Field Surveys, Collections Development and Public Education (2000-2005). Royal British Columbia Museum, Victoria, BC. Electronic report prepared for RBCM web site.

Ramsay, L.R. and R.A. Cannings. 2005. Determining the status of British Columbia's dragonflies. In T.D. Hooper (Ed.) Proceedings of the Species at Risk 2004 Pathways to Recovery Conference March 2-6, 2004, Victoria, British Columbia. Species at Risk 2004 Pathways to Recovery Conference Organizing Committee, Victoria, BC. On Internet at: http://www.speciesatrisk2004.ca/pdf/ramsay_edited_final_feb_28.pdf

Lopes, D.A., E. Hajdu & H.M. Reiswig 2005. Redescription of two Hexactinosida (Porifera, Hexactinellida) from the southwestern Atlantic, collected by Programme REVIZEE. Zootaxa 1066: 43-56.

Conway, K.W., M. Krautter, J.V. Barrie, F. Whitney, R.E. Thomson, H. Reiswig, H. Lehnert, G. Mungov and M. Bertram. 2005. Sponge reefs in the Queen Charlotte Basin, Canada: controls on distribution, growth and development. pp. 601-617 in: A. Freiwald and J.M. Roberts, eds., Cold-water Corals and Ecosystems., Springer.

Dyer, O., Lea, T., Richardson, H., Scudder, G. and Warman, L. 2005. Setting conservation targets in the South Okanagan-Similkameen (in) Hooper, T.D. (Ed.). Proceedings of the Species at Risk 2004 Pathways to Recovery Conference. March 2-6, 2004, Victoria, B.C. Species at Risk 2004 Pathways to Recovery Conference Organizing Committee, Victoria, B.C.

Scudder, G.G.E. 2005. Rarity and richness hotspots in British Columbia (in) Hooper, T.D. (Ed.). Proceedings of the Species at Risk 2004 Pathways to Recovery Conference. March 2-6, 2004, Victoria, B.C. Species at Risk 2004 Pathways to Recovery Conference Organizing Committee, Victoria, B.C.

Scudder, G.G.E. & Warman, L.D. 2005. Biodiversity conservation and protected areas in British Columbia (in) Hooper, T.D. (Ed.). Proceedings of the Species at Risk 2004 Pathways to Recovery Conference. March 2-6, 2004, Victoria, B.C. Species at Risk 2004 Pathways to Recovery Conference Organizing Committee, Victoria, B.C.

Scudder, G.G.E. 2005. Heteroptera (Hemiptera: Prosorrhyncha) new to Canada. Part 2. J. Entomol. Soc. British Columbia 101(2004):125-130.

HUMAN HISTORY

Hammond, Lorne F. 2005. "Menfish and the Great Hydrosphere." Environmental History 10:4 (October 2005): 695-697.

Hammond, Lorne F., with Michael Pennock of the Fernie and District Historical Society, et al. Capturing History: Joseph Frederick Spalding, Photographer – Tourist – Visionary. Website. Community-University Research Alliance project, in partnership with the Maltwood Museum, University of Victoria. Online September 2005. http://www.maltwood.uvic.ca/spalding/

RESEARCH PRESENTATIONS

Hammond, Lorne. 2005. Presented a paper at the Annual Conference of the American Society for Environmental History titled "Early Oil Debates on British Columbia's Northern Coast, 1911-1939." Houston, Texas.

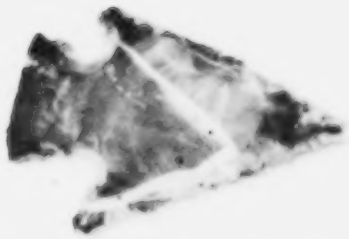
Hammond, Lorne F. 2005. "Local Museum Collections, Community Networks and Research Panel C-2: Collections Research: A Collaborative Enterprise." *British Columbia Museums Association, 49th Annual Conference*, Kelowna.

Hammond, Lorne F. and Michael Pennock, 2005. Fernie Historical Society and Archives. "Community Histories in Photographs: Engaging Communities Through Photographic Collections: Joseph Frederick Spalding, Photographer." Sharing Knowledge Through Research Partnership A SSHRC-Community-University Research Alliance Conference. University of Victoria. Transcript online: http://cura.uvic.ca/data/transcript.pdf

Hammond, Lorne F. 2005. "The Career of John Sebastian Helmcken and His Medical Collection," Newcombe Lecture Series. Royal BC Museum.

Hammond, Lorne F. 2006. "The Negotiator: Creating "Nature" Through Transboundary Change. "American Society for Environmental History.

Keddie and Erle Nelson. "An Arrow from the Tsitsutl Glacier, British Columbia" Canadian Journal of Archaeology, Vol. 29, Issue 1, 2005.



A projectile point made of chalcedony excavated in 1969 from archaeological site at Arrow Lakes, BC.

Keddie, Grant. 2005. "Atlatl Weights in the Collection of the Royal B.C. Museum" RBCM report.

Keddie, Grant. 2005. "The Quiltanton Lake Atlatl (EcRg-Y:1), A Technical Description." RBCM report.

Keddie, Grant. 2006. "Japanese Ship Wreck and Other Things" Underwater Archaeology Conference - Underwater Archaeological Society of British Columbia. Maritime Museum.

Keddie, Grant. 2005. "Expansion, Contraction and Inter-Connectedness," Canadian Archaeology Association, Nanaimo.

Keddie, Grant. 2005. "Projectile points from Southern Vancouver Island." Canadian Archaeology Association, Nanaimo

Savard, Dan. 2005. "Changing Images: Photographic Collections of First Peoples of the Pacific Northwest Coast , 1860-1920." BC Studies, 145: Spring 2005, pp 55-96.

Mackie, Q., Martina Steffen, and Nicole F. Smith. 2005. "High Resolution Archaeology of the Early Holocene layers at the Richardson Island Archaeological Site, Haida Gwaii." Canadian Archaeology Association, Nanaimo.

McLaren, Duncan and Martina Steffen, 2005. "A Sequence of Formed Bifaces from the Fraser Valley Region of British Columbia." Canadian Archaeology Association, Nanaimo.

Rajala, 2005. Feds, Forests, and Fire: A Century of Canadian Forestry Innovation. Canada Science and Technology Museum.

APPENDIX C

PUBLIC PROGRAMS

Astronomy Day
April 16, 2005
The Royal BC Museum and Royal Astronomical Society of Canada presented a full day of family-oriented space activities and discussion by professional astronomers about the meaning of the universe, and to learn how amateur astronomers can observe space with regular binoculars and telescopes. Multimedia presentations will take visitors on a journey through the solar system, and offer a special look at Canada's presence in space.

7th Annual Vancouver Island Regional Heritage Fair
May 6, 2005
The Historical Heritage Fair provides local students in grades four to nine with the opportunity to exhibit their original Canadian history projects. Several of the projects on display will be selected to go to the National Historical Heritage Fair in early July.

Sustainable Energy Now! Solving the Energy Puzzle
June 4–5, 2005
The Royal BC Museum and the BC Sustainable Energy Association collaborated displays, demonstrations and presentations showcasing alternative energy options, including solar and wind power to geothermal, biodiesel, and sustainable methods of generating power. Local providers of alternative energy equipment as well as local clubs and associations hosted displays and talked to museum visitors about options for power generation.

B.C. Conservation Officers' Service Exhibition
September 3–5, 2005
Discover Program
Daily at 1:15 p.m.
Discover: Life on the Beach; Skeletons; Special Effects; Your Family History; Something You've Never Seen Before; A History Mystery; Preserving Our Past

This unique provides visitors with a behind-the-scenes look at the museum profession through storytelling, demonstrations and interactive experiences with our collections.

Remembrance Commemorations – "Remembering the Past, Hoping for the Future"
November 5 – 11, 2005
The Royal BC Museum is proud to recognize the role Canadians have served in world conflicts and in peacekeeping work around the world. Many local veterans organizations and community groups hosted a variety of special displays and events throughout the weekend, in addition to exhibits from the Royal BC Museum's collection including recruiting posters, uniforms and badges from the First World War.

The exhibition of the replica of the National Aboriginal Veterans Monument, was also on display for the first time in Victoria. For those unable to travel to Ottawa to see the original, which was unveiled in early 2005.

Astronomy Day participants talk to museum visitors.

An Old Fashioned Christmas at Helmcken House
December 17 – 31, 2005
The traditions of Christmas and the celebration of the season as was common in the Victorian period and were explored in this fun and educational program. Relive some of the traditional festivities of a Victorian Christmas.

Spring Break at the Royal BC Museum
March 14-17, 2006
Daily activities included hands-on workshops, interactive presentations about mammoths, marine life, bears, and wolves, and curator presentations.

School Programs
On-site school programs on a variety of subjects have been given every year for nearly 30 years at the RBCM.
Programs included:
Fins, Feathers and Fur Grades K/1
Wild World of Wolves Grades 2/3
A Century Ago Grades 2/3
A Day's Journey Grade 4
Our Changing Climate Grades 4/5
Wealth from the Ground Grade 5
Marsh Monsters and Swamp Things: The Microscopic World of Wetlands Grades 6/7
An Old-Fashioned Christmas at Helmcken House Grades 3/4/5

Military Historian Paul Ferguson helps Veteran Hill Wilson discover details about family and friends in databases of military personnel.

Adult Tour Program
Volunteer tour guides conduct highlights tours of the permanent galleries for pre-booked groups, new-volunteer museum orientation and visiting dignitaries. As a value-added experience during the summer season, visitors could take 1 hour tours of particular galleries for an in depth look at the human and natural history of British Columbia. The apprentice program continues to recruit and train new volunteers eager "to share our story with the world."

Junior Docent Program
A number of enthusiastic youth volunteer in the Helmcken House Christmas program, and in the permanent gallery animation program, where they educate and entertain.

TIBET: MOUNTAINS & VALLEYS, CASTLES AND TENTS

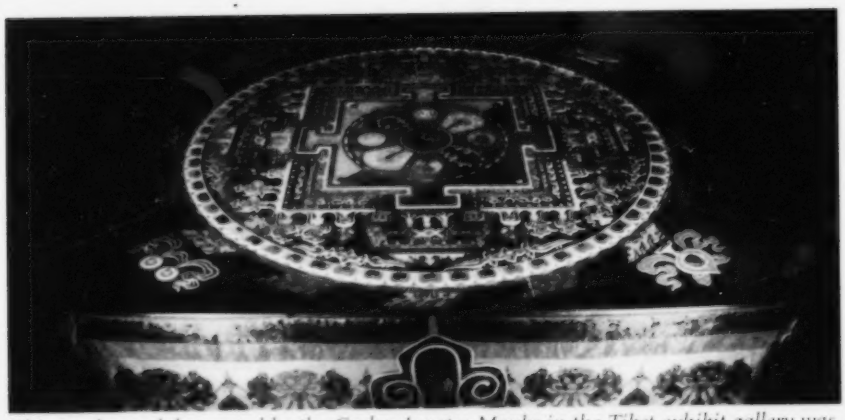
Speaker's Series:
Dr. Robert Thurman
March 19, 2005
"*Time* chose Professor Thurman as one of its 25 most influential Americans in 1997, describing him as a "larger than life scholar-activist destined to convey the dharma, the precious teachings of Siddhartha, from Asia to America."

The Sacred Art of Tibet
Barry Till Curator of Asian Art, Art Gallery of Greater Victoria
April 16, 2005
A lecture dealing with the religious art of Tibet including thangka paintings, sculpture, architecture, and religious artifacts.

The World of the Dalai Lama
Victor Chan
May 7, 2005
Based on the spiritual and emotional insights Victor Chan has gleaned from his three-decades-old friendship with the Dalai Lama. From 1999 to 2004, Chan worked and travelled extensively with the Tibetan leader. The result is the newly published *The Wisdom of Forgiveness: Intimate Conversations and Journeys*, a book translated into 12 languages.

Introduction to Tibetan Medicine
Dr. Tsering Lhamo
May 28, 2005
The practice of Tibetan medicine has hovered near extinction for the past forty years, though there are increasing efforts under way now to preserve it, with some success. Under the direction of the Dalai Lama, the Tibetan Medical and Astrological Institute, also known as Men-Tsee-Khang, was established in Dharamsala in 1961 as a school where Tibetans in exile could receive Tibetan medical training towards becoming a doctor.

In the Discover amphitheatre, museum and archives staff give daily presentations to visitors on BC's history and nature, and even reveal some exhibit secrets.



This sand mandala created by the Gaden Jangtse Monks in the Tibet exhibit gallery was later destroyed as a metaphor of the impermanence of life.

Film Presentation: *The Reincarnation of Khensur Rinpoche* (1997)
June 9, 2005
Viewers were invited to grow closer to understanding the Buddhist rebirth of the soul as a monk searches for the reincarnation of his spiritual master in a four-year-old boy.

Gaden Jangste Monastery Monks
June 28 – July 2, 2005
2nd Floor Tibetan Gallery
Ten monks from the Gaden Jhangtse Monastery (Tsawa Khangsten) began their 5-day construction of a sand mandala in the Tibet gallery. This intricate coloured sand mandala was dedicated to Chanregsi, the Manifestation of Buddha's compassion. The creation of a mandala ranks as one of the most unique and exquisite artistic traditions of Tibet. Millions of grains of sand are painstakingly laid into place on a flat platform over a period of days or weeks. Formed of a multitude of ancient spiritual symbols, the sand-painted mandala is used as a tool for re-consecrating the art and its inhabitants.

Tibetan Buddhism
Geshe Tashi Namgyal, with T.C. Tethong
September 24, 2005
A discussion on the basic tenets of Tibetan Buddhism by the highly respected Lama, Geshe Tashi Namgyal, who lives in Victoria – with English interpretation by T.C. Tethong.

Adult Workshops: The History and Art of Thangka Painting
September 10, 17, 24 and October 1
September 11, 18, 25 and October 2
Celebrated thangka artist Kalsang Dawa instructed two four-part workshops on consecutive Saturdays or Sundays.

Taste of Tibet
Friday, September 30, 6:30 to 9:00 pm
An evening of traditional Tibetan food with guided tour of the exhibition.

Film Presentation: *The Yogis of Tibet: A Film for Posterity* (2002)
October 6, 2005
This superb film examined "Tibet's spiritual heart and soul." With their tradition nearing extinction, the Yogis of Tibet share their secret, rigorous training of the mind that has existed for thousands of years.

LINDA MCCARTNEY'S SIXTIES: PORTRAIT OF AN ERA
DECEMBER 2, 2005 TO MARCH 5, 2006

Give Peace a Chance: Reminiscences of John and Yoko
Gerry Deiter
December 3, 2005
Victoria photography, Gerry Dieter, recounted his experiences during the 1969 Montreal Bed In for Peace, bed-in, answered questions and gave a tour of 25 photos he took of the event that were on display at the museum.

A History of the Psychedelic Poster.
Jerry Lucky
December 4, 2005
In this illustrated talk Victoria broadcaster and music historian Jerry Lucky, looked at the history of the psychedelic poster. Using material from the Avalon Ballroom in San Francisco Jerry discussed the evolution of posters of the sixties. Twenty-four psychedelic posters from Lucky's collection were on display.

Give Peace a Chance: Memories of John Lennon
December 8, 2005
On the 25th anniversary of John Lennon's death photographer Gerry Deiter discussed his time with John Lennon and read a memoir he wrote after Lennon's death. Vancouver musician, Shawn Verreault, led a live broadcast of 'Give Peace A Chance.'

Electric Sound – the Emergence of the Synthesizer in '60s Rock & Roll
January 14 – 15, 2006
The sound of the synthesizer is one of the defining sounds of the sixties. University of Victoria music students performed sixties classics and original works on their Moog synthesizer in the Sixties exhibit gallery at the Royal BC Museum.

Easy Rider – '60s Motorcycle Weekend
January 21 – 29, 2006
Twenty classic sixties motorcycles, including English, American and Japanese models displayed in the photo exhibition.

Vintage motorcycles on display during 'Sixties Motorcycle Weekend.

ALIGNMENT WITH GOVERNMENT STRATEGY

The RBCM's vision supports specific aspects of the Five Great Goals.

1. **To make BC the best educated, most literate jurisdiction on the continent.**

   The RBCM supports British Columbia's education system by providing free access to the public galleries to over 34,000 students annually. The RBCM will continue to operate popular school programs on a cost-recovery basis. The Amazing Time Machine and Virtual Museum, an online gallery based on the school curriculum, reaches millions annually and provides important support for education. In addition, the RBCM contributes research for the creation of books that are available in schools and university libraries. Teachers and students enjoy education materials and programs that are developed by the RBCM.

   The RBCM will continue the partnership with government organizations, such as the Vital Statistics Agency, to maintain and add to the birth, death and marriage indexes, which are a popular source of genealogy research. The RBCM is the Archives of the Government of British Columbia and meets the government's archival obligations under the Document Disposal Act and the *Museum Act*.

   Information about our collections is available to all British Columbians remotely at libraries, homes and businesses via the internet.

2. **To lead the way in North America in healthy living and physical fitness.**

   Healthy minds ensure healthy bodies. The RBCM, Island Farms Dairy and BC Transit have developed a joint program where BC Transit transports inner city schoolchildren to the RBCM for a program and Island Farms provides a healthy snack.

   Volunteers are integral to our success, and their involvement provides an opportunity to stimulate minds and share their knowledge with others. The RBCM actively engages the community through its recruitment of volunteers for continuing and special programs, linked to the collections and exhibits.

3. **To build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.** We provide more than 400 complimentary gallery admissions to persons with disabilities annually. We are the place of choice for over 450 volunteers, of which 60% are seniors. In conjunction with the Vancouver Island Heath Authority, we are exploring funding opportunities for a program called "Memory Boxes," which have been shown to assist Alzheimer patients.

4. **To lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.**

   The RBCM, through its new Climate Change Exhibit, strives to illustrate the benefits of environmental awareness to all visitors. There are many stations throughout the exhibit that allow visitors to access the most current information regarding climate change and what each person can do around their own homes that will help them with the impending changes.

   The building blocks of the environment are the species that reside within it, and the staff at the RBCM identifies the species that exist in British Columbia. The preservation and study of the specimens in our natural history collection helps us determine changes that species are undergoing. They are used as a benchmark for evaluation as we examine the impacts of change throughout the province.

5. **To create more jobs per capita than anywhere else in Canada.**

   The RBCM works with many community and business partners to draw tourists and local residents to the RBCM. These include tourism bureaus, other leading attractions, tour operators, hotels, transportation companies, private sector corporations, Crown Corporations and media partners. Through *Living Landscapes*, the RBCM works in partnership with communities throughout BC. Currently we are working in the Peace River-Northern Rockies and preparations have begun for work in our next area – the Northwest-Stikine.

   Our revitalization plans for the cultural precinct will include public-private partnerships. The RBCM contributes to the private-sector economy as British Columbia's second-most visited tourist attraction on Vancouver Island, after Butchart Gardens, contributing $63 million in direct annual spending in Greater Victoria. The RBCM's exhibits showcase the province's human and natural history, exploration and transformation. Special exhibits build excitement and draw new and repeat visitation.

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